

**Amendment No. 1 to HB1223**

**Wirgau  
Signature of Sponsor**

**AMEND Senate Bill No. 1362**

**House Bill No. 1223\***

by deleting all language after the enacting clause and substituting instead the following:

**SECTION 1.**

(a) The Tennessee advisory commission on intergovernmental relations (TACIR) is directed to perform a study of the payment in lieu of ad valorem tax agreements and leases entered into by industrial development corporations organized by municipalities, and specifically, whether economic benefits are derived from limiting the length of term of an agreement or lease in the absence of county approval or an agreement by the corporation or municipality to pay the county a sum equal to the amount of real property tax that would have been assessed in the absence of the agreement or lease following the expiration of the initial term.

(b) The study shall include:

(1) The economic benefits to counties and municipalities from the use of payment in lieu of ad valorem tax agreements and leases by industrial development corporations organized by municipalities;

(2) Examining whether any economic benefits are derived from limiting the length of term of a payment in lieu of ad valorem tax agreement or lease to five (5) or less years absent county approval or an agreement by the corporation or municipality to pay, each year after the initial five (5) years, to the county a sum equal to the amount of real property tax that would have been assessed to a property if the agreement or lease had not been executed; and

(3) Any additional issues that TACIR deems relevant to meet the objective of this study.

**Local Government Committee 1**

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(c) All appropriate state agencies and departments shall provide assistance to TACIR upon the request of the executive director of TACIR. TACIR shall seek input from representatives of industrial development corporations, municipalities, and other types of local governments in conducting the study.

(d) TACIR shall submit a report disclosing the findings of the study and recommendations, including any proposed legislation or interim reports, to the state and local government committee of the senate and the local government committee of the house of representatives no later than February 1, 2018.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.